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U.S. APPRAISES TRUMAN POLICY OF INTERVENTION

THE discussion precipitated in the Senate and throughout the country by President Truman's statement of March 12 on Greece and Turkey has had the effect of uncovering some of the principal issues raised by the Administration's decision to play an active and continuing part in world affairs. Looking at the past decade in perspective, the Truman Doctrine might appear to be only a development of the policy gradually formulated by President Roosevelt who, beginning with his "quarantine" speech of 1937 and ending with his last message to Congress in January 1945, pointed out with increasing emphasis the necessity for this country to accept world responsibilities not only in time of war, but also in time of peace. Actually, however, while President Roosevelt envisaged international cooperation with all of the United Nations, President Truman contemplates American intervention in a given area to oppose Russia and totalitarian regimes.

The significant aspect of the current debate is that it centers not on the question whether isolation is preferable to intervention, but on the need for intervention in this particular case, the form intervention should take if it is necessary, and this country's capacity to pay the resulting cost. Only yesterday, it seems, the United States had been merely an interested spectator of the international scene, applauding the hero or hissing the villain, occasionally offering peacetime advice, intervening in two world wars, but feeling little or no responsibility for the outcome of the drama. Now it is cast for the principal role. And in this new role it is beginning to learn that participation involves hitherto unsuspected obligations, sacrifices and anxieties.

1. *Intervention Costs Money.* The first lesson brought home by the Truman Doctrine is that, if the United States is to achieve its two primary aims—

check the spread of Russia's influence, and help "free peoples" achieve economic and social conditions favorable to political democracy—it will have to expend resources in money, goods, and technical assistance to an amount whose total cannot even begin to be estimated. The suggestion made by Senator Byrd on April 6 that Bernard M. Baruch be asked to make a study of this country's internal resources and its capacity "to pay the bill" can be carried out if the subject of the study is the amount of money the United States as a nation can afford to invest in or give to other countries for their reconstruction, now recognized to be inextricably linked with our own economic well-being. It would be well-nigh impossible, however, to estimate the ultimate cost of aiding all countries which, because of their present economic plight, are susceptible to Russia's pressure or to Communist propaganda.

2. *U. S. Aid Must be Controlled.* The chief reason for this is that the Truman Doctrine, in its present form, constitutes an open invitation to all countries fearful of Russia or of native Communists or both to seek financial aid from the United States, not only for peacetime economic reconstruction but also for military establishments, without imposing on them the obligation to put their own house in order so as to reduce the pressure of extreme Leftist groups. The testimony of veteran American correspondents in Athens, for example, indicates that the Greek government, which has disregarded Britain's advice concerning reasonable restraints on the use of funds supplied by the British government to finance imports, has no intention of heeding the advice of the United States. Genuine sympathy for the plight of the Greek people—which, it should not be forgotten, was due in the first place to the depredations of Italy and Germany, not Russia—should not obscure the

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problem created by the reported unwillingness of the Greek government to accept outside curbs on its financial policies, which include permission to import luxuries sold at black market prices, and refusal to reform the system of taxation, which at present works to the advantage of the wealthy segment of the population.

3. *Half-Way Measures Impossible.* This situation points to a third problem confronting the United States—the need to supervise the expenditure of funds it may furnish to “free peoples.” Such supervision, contrary to some of the statements made by Administration spokesmen before the Senate Foreign Relations Committee, will probably involve intervention in the political affairs of the peoples who request and receive aid from the United States. So far the Administration has sought to draw a distinction between financial aid, even when accompanied by technical advice, and political intervention. This is understandable, since it has been the traditional policy of the United States, under the Monroe Doctrine, to insist on non-intervention by other nations in the affairs of the Western Hemisphere, and to adopt an attitude of political non-intervention in the affairs of at least some countries outside the hemisphere, notably Spain. The United States itself, however, has from time to time resorted to political intervention in the Far East and in Latin America—and is now beginning to do so in Europe. In practice it is difficult to see how the United States government will be able to furnish money to other countries in time of peace without wanting to make sure that its contributions, which could otherwise be usefully expended at home, are devoted to what it considers constructive purposes.

4. *Collective Action the Answer.* The United States could easily become the target for charges of “imperialism” and “dictatorship” unless—and here

is the crux of the matter—it conducts such intervention as it undertakes within the framework of the United Nations organization. Under pressure of public opinion the Truman Doctrine, which originally made no provision for UN supervision of American aid to Greece and Turkey, has been modified by the March 28 statement of Warren R. Austin, American delegate on the Security Council, and by President Truman himself at the Jefferson Day dinner on April 5 at which he said that the United States must, when necessary, “supplement” the activities of the United Nations. Senator Vandenberg, who has displayed high qualities of statesmanship in his handling of this issue, has proposed that the United States, waiving its veto in the Security Council, should accept the decision of the majority in the Council or two-thirds in the General Assembly concerning discontinuance of American aid to Greece and Turkey.

In the historic struggle now being waged all over the world between concepts of national sovereignty and international organization the United States, on the question of aid to Greece and Turkey, has indicated a desire to work within the terms of the UN Charter. This decision, if carried out with determination on all other issues, would greatly strengthen this country's position in its criticism of unilateral intervention by Russia in the affairs of neighboring countries. At the same time, study might be given to the question whether non-intervention as previously understood is compatible with international organization. Dr. Alfaro, speaking in the Political and Security Committee of the UN Assembly on December 3, offered an approach to this problem when he declared that intervention is a “fetish word,” and added that the theory that no individual state can intervene in the affairs of another does not bar collective action by the community of nations.

VERA MICHELES DEAN

SUCCESS OF GENEVA TRADE PARLEY DEPENDS ON U.S. TARIFF POLICY

Under UN auspices the representatives of seventeen nations which account for over 90 per cent of world commerce gathered in Geneva on April 10 to conduct negotiations for the reduction of tariff barriers, and at the same time to complete the draft for an International Trade Organization (ITO). This is an unprecedented conference, for never before have so many governments acted simultaneously to reduce trade restrictions. No other world economic conference, moreover, has been preceded by such careful and detailed preparation.

U.S. DELEGATION HANDICAPPED. Elaborate planning, however, will not of itself assure the success of the Geneva meeting. Much will depend on whether the tariff negotiators of other nations are prepared to proceed on the assumption that the American delegation can and will grant generous

concessions. The Reciprocal Trade Agreements Act of 1945 authorized a cut of as much as 50 per cent in the tariff rates in force as of January first of that year. It is therefore possible for this country to make substantial concessions. Some members of the Republican majority in the present Congress, however, have directed an all-out attack in recent weeks on the Administration's trade program. These members, most of whom represent western states in which farm and mining interests predominate, have insisted that the United States should not be represented at Geneva.* Their attack proved unsuccessful, but only because the Administration accepted a compromise whereby all trade pacts are to contain a safeguarding clause permitting cancellation of any concessions that threaten “serious injury to domestic producers.” It

*See *Foreign Policy Bulletin*, February 7, 1947.

was also agreed that the U.S. Tariff Commission shall review any duty reduction concerning which a complaint is made after the concession becomes effective. Given these stipulations, other governments may well question the permanence of any tariff cuts made by the United States.

Although the United States has vast economic strength compared with the straitened circumstances of countries whose productive capacity was seriously crippled as a result of war—our negotiators are subject to limitations which are hardly in keeping with the strong position of the American economy. If the Republican opponents of the program represented a group as substantial as it has been vocal, then the outlook for world economic cooperation would be grim indeed. The trade program, however, has been endorsed by several important industrial and trading groups, not to mention the many millions of consumers who appreciate the lower prices it would bring. Thus the proposed ITO, whose charter will obligate members to reduce their trade barriers steadily, has been endorsed by the National Association of Manufacturers, the National Foreign Trade Council, the League of Women Voters, the United Automobile Workers Union, etc., as well as by many prominent industrialists and economists.

BRITISH TARIFF POLICY. Whether these proponents of freer trade can so marshal their strength as to sustain the Administration in a showdown with the protectionists is a question of great moment to the British. Addressing the House of Commons on the eve of the Geneva meeting, Sir Stafford Cripps, President of the Board of Trade, noted with regret the limitations applied to the bargaining power of the American negotiators, but expressed the hope that some success could be achieved. He again reminded the Commons that British exports must reach a volume at least 75 per cent above the level of 1938, if the standard of living for that year is to be restored. Under the circumstances Britain, he said, welcomed any plan to increase world trade.

In answer to those who oppose reductions in Empire tariff preferences—a system instituted in 1932 whereby members of the British Commonwealth enjoy special low duties in their mutual trade—Sir Stafford declared that the Dominions and colonies could not possibly supply all the raw materials Britain has to import, nor do they provide a market large enough to absorb the volume of goods Britain must export. At an earlier gathering of Commonwealth representatives in London, this same line of reasoning was used to overcome opposition, particularly by

Australia and New Zealand, to the gradual elimination of preferential tariffs.

But if the London and Dominion delegates at Geneva are prepared to give up their preferential trading system, they will actually do so only provided other countries—primarily the United States—make generous compensatory adjustments in their import controls. Australia and South Africa, for example, have indicated that in return for freer entry of American manufactures into their markets, our duty on wool must be cut by 50 per cent. New Zealand will demand a substantial lowering of the American tariff on butter, and Canada will seek a larger market here for its farm produce, newsprint, etc. London will ask for a lower American duty on woollen and worsted cloth, also sought by the French. Since the Commonwealth delegates will bargain in concert, the American negotiators will have to face squarely the issue of increased competitive imports, if concessions are to be obtained for our exporters.

FREE ENTERPRISE AT STAKE. American wool growers, woollen manufacturers and dairy interests, however, have always taken the lead in the crusade for a high tariff. How far the Administration can go in overcoming their opposition will have an important bearing on the ultimate outcome of the ITO program. Failure to make real progress in reducing our tariff rates, many of which remain high, can only mean that our exports will shrink—a development that will be all the more serious since productive capacity in both industry and agriculture were greatly expanded during the war.

While the primary goal of the American trade program is a higher and more stable level of world prosperity, a broader and no less important purpose is the promotion of free enterprise in other countries. Bargaining at Geneva will focus on tariff rates, quotas and other trade controls, but underlying the negotiations is the fundamental issue of whether there shall be further state control of economic life. The outcome of the parley may well determine the extent to which the trend toward economic nationalism, begun during the world depression of the 1930's, can be reversed.

HAROLD H. HUTCHESON

The Trade of Nations, by Michael A. Heilperin. New York, Knopf, 1947. \$3.00

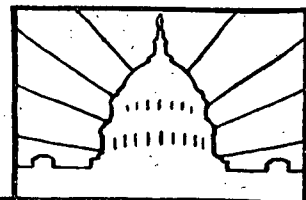
An excellent survey of the world trade problem, with particular reference to the United States. The case for freer, multilateral trade and exchange is cogently argued. Constructive suggestions are made for the improvement of our tariff policy.

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Washington News Letter



UN TALKS ON PALESTINE RAISE NEW ISSUE FOR U.S.

The Washington Administration today sees Palestine in a new light and as a new problem. In the past the White House has freely given advice about the Holy Land in the safe knowledge that it would be Britain's task, not ours, to turn advice into action. Now, however, the White House and the State Department are preparing for the first time to formulate a policy for the execution of which we might have at least partial responsibility. The possible prospective change in American relationship to the Holy Land results from Britain's decision to refer the Palestine problem to the United Nations. Whatever responsibility, if any, the UN eventually takes for Palestine will also be ours as a member of the UN.

U.S. ENCOURAGES DELAY. Yet the Administration is putting off the decision about the nature of an official responsible American policy toward Palestine as long as it can. It foresees difficulties in arriving at a clear, realistic policy for two main reasons: first, because of profound disagreement among Americans about the merits of the conflicting causes of Arab and Jew in Palestine; and, second, because of the tendency of Americans to look on the Holy Land as the scene of a struggle between Jews and Arabs, rather than as part of a strategic area which, in the Administration's view, is vital to the security of the United States.

Washington's desire for delay will guide the special Palestine session of the General Assembly, which will probably meet in May. Britain has agreed to the request of the United States, made on March 29, that the Assembly limit its action next month to the appointment of a fact-finding commission and instruct it to report to the regular Assembly meeting in September. After negotiations by the British with Jewish and Arab representatives for a Palestine settlement had broken down on February 10, Britain on February 14 made the forthcoming collective inquiry possible by turning to the UN. On April 3 Britain formally requested the UN to summon an extraordinary meeting of the General Assembly after obtaining assurances that the United States, France and the Soviet Union would support its proposal. Following the UN meeting the United States intends to act cautiously and avoid leadership in the collective search for a settlement of the Palestine problem. For whether it is a member of the proposed fact-finding commission or only an onlooker, the United States does not wish to be offered the Palestine mandate. Britain, it should be noted, has

not said that it plans to surrender the mandate.

AMERICAN INTEREST. The basic questions about Palestine which the United States has yet to answer are, first, whether we have a real interest in that country and, second, how we can protect our interest if it exists. In his statement of March 12 on Greece and Turkey President Truman implied that the United States is directly concerned in the entire Near and Middle East. A disorderly Palestine, unsettled by armed conflict between British military forces and Jewish guerrillas and civilians, could tempt other powers to interfere in Palestinian affairs and thereby add to American difficulties in attaining the goals Mr. Truman hopes to achieve through his policy on Greece and Turkey.

Humanitarian and political considerations prevent the Administration from proposing a solution for Palestine in terms calculated to safeguard our purely strategic interests. Disturbed by the plight of the Jews still in DP camps in Europe, the White House has urged that 100,000 European Jews be settled in Palestine. This proposal aroused the anger of the Arab League, whose Council on March 29 declared that the American immigration suggestion has "affected the good relations between America and the Arab States." The Arab states in the UN, moreover, objected to the special session of the General Assembly.

Conflicting points of view in the White House and the State Department regarding the Palestine problem add to Washington's dilemma in attempting to define a workable policy. While presidential statements during the past 18 months have consistently reflected sympathy with Jewish hopes in Palestine, the State Department—which favors the Arab cause—has argued in official councils that since the United States has tangible interests in communications lines and oil concessions in Arab countries, especially Saudi Arabia, it would be dangerous for us, by supporting Zionism, to run the risk of permanently alienating the good will of the Arabs who might, it is argued, turn to Russia. Others, however, contend that the ruling Arab groups have no desire to work with Moscow, and that a strong Jewish state in Palestine would support our strategic interests more reliably than the Arabs. These conflicts of outlook and judgment might result in a do-nothing policy on Palestine unless public opinion encourages the Administration to take positive action.

BLAIR BOLLES